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SECRET

GROUP 1
Excluded from automatic
downgrading and
declassification

(12)

SECRET

PRECONTRACT APPROVAL RECORD
(PART TWO)

CONTRACT

UT-846

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The services and equipment being procured by this Contract No. _____
UT-846 are in furtherance of the _____

Program(s), the nature of which cannot be publicly disclosed for security reasons. The Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC 2122, signed by the DDCI on 15 October 1961.

Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

The following comments describe the procurement hereby effected, the terms and provisions generally of this contract/amendment, and a resume of major issues negotiated:

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This is the Definitized Contract UT-846 with _____

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_____ The negotiated CPFF price is _____ consisting of _____ estimated cost and _____ fixed fee. The sum of _____ has been allotted to this contract on an incremental basis. Funds are available in Category IID of the FY-65 ASD/OEL budget.

The Contractor's initial proposal for the design and development of an _____ was in the amount of _____. Since this exceeded, by far, the funding which Headquarters was willing to commit to this development the proposal was substantially reduced in scope and cost and the total effort finally negotiated at a CPFF price of _____ including fixed fee of _____ per cent (negotiated downward from the Contractor's proposed _____ per cent). Subsequent to the negotiation of the contract two changes developed, one for a Range Cursor at an approximate _____ and the addition of ten man-days of field engineering services at _____. These will be added by amendment to the contract together with certain other changes in security provisions and the basic clauses.

There are only three officials of the company at Utica cleared to know the sponsorship. These are _____

_____ The work in the plant is to be conducted on a DOD Secret basis, none of the technical types having been briefed as to the sponsors identity. An amendment to this contract will specify _____

the Contractor will take necessary steps to prevent any discussion or publicity of this capability. The Contractor understands this requirement and has agreed to it.

SECRET

GROUP 1

declassification

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The Contract was initially planned as a CPIF contract but after assurance by the General Manager that he would personally see that the work was completed on time the plan for a contract with incentive on delivery was abandoned and the contract negotiated on a straight CPFF basis. The contract does provide, however, that delivery of the [] Threat Capability on 10 January 1965 and complete delivery of the total system on 10 March 1965 will be considered the essence of the contract.

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Dist:

✓ Original - Return to []

1 - CD/OSA

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[] let/27 October 1964

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